GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3225
ANSWERED ON:22.03.2002
ENHANCED AID FROM ADB
UMMAREDDY VENKATESWARLU

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have sought enhanced aid from the Asian Development Bank;

(b) if so, the aid sought from the ADB for the financial year 2002-2003;

(c) Whether ADB has made additional aid conditions on implementation of reforms in some sectors;

(d) If so, the details of the terms suggested by the ADB for enhanced financial aid; and

(e) The reaction of the Government on these conditions?

Answer

MINISTER OF STATE FOR FINANCE (SHRI G.N. RAMACHANDRAN)

(a) Asian Development Bank provides assistance on calendar year basis. Asian Development Bank mounts their confirmation mission, normally before the end of the calendar year, to finalize the lending programme for the succeeding year.

(b) ADB Mission in principle has indicated a proposed lending for five projects to the extent of US $ 1125 to 1225 million for CY 2002.

(c) & (d) The project scope and other details of these projects would be discussed with the pre appraisal and appraisal mission of the Bank and the beneficiary Sates/Executing Agencies, etc. during the course of the year. The loan details are known after negotiations are held with the Bank for specific loan proposals and the loan is approved by the ADB Board. ADB loans are normally given for 20 and 25 years with a grace period of five years at a rate of interest which is linked to LIBOR plus 60 basis points and commitment charges and front end fees as per Bank policy.

(e) Does not arise